

The Krause Fund

Truman Norris [truman-norris@uiowa.edu]
 Teddy Giannakopoulos [teddy-giannakopoulos@uiowa.edu]

Tyler Gullickson [tyler-gullickson@uiowa.edu]
 Jacob Czechyra [jacob-czechyra@uiowa.edu]

Apollo Global Management (APO)

April 24, 2026

Financials – Alternative Asset Management

Stock Rating

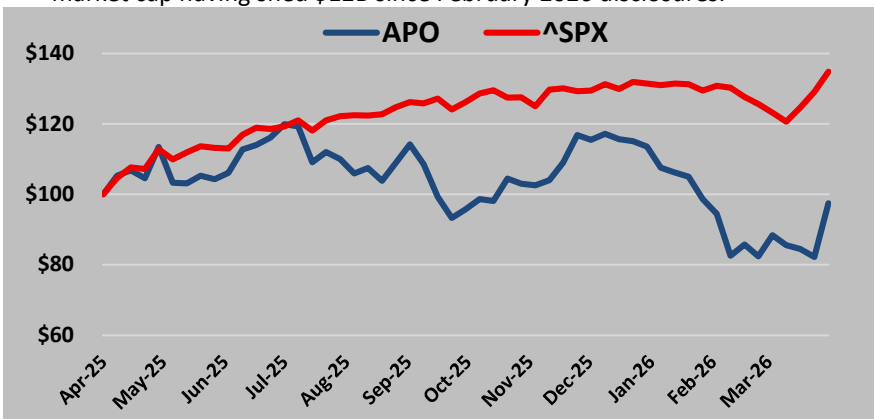
BUY

Investment Thesis

We issue a BUY rating on Apollo Global Management (NYSE: APO). The market fundamentally misprices Apollo's competitive advantage in perpetual capital and its insulation from direct-lending liquidity risks. With over 60% of total AUM locked in perpetual structures via Athene¹, Apollo is uniquely positioned to capitalize on the shift to alternative assets in the \$150T global wealth channel². Driven by persistent pension risk transfer (PRT) inflows and scalable proprietary origination via Apollo Capital Solutions (ACS), we project massive AUM growth and structural margin expansion, justifying a target price of \$179.79 (a 45% upside).

- Drivers of Thesis**
- Retirement Services Expansion:** 11,000-12,000 baby boomers in the U.S. are turning 65 every single day³ and the relatively recent elevated rate environment acts as a dual catalyst for a larger asset base and a wider spread margin.
 - FRE Expansion:** We expect the \$150T retail wealth market² to shift an additional 5% towards alternative assets with Apollo capturing 2% of the shift via modern evergreen funds and 401(k) alternative asset adoption.
 - Capital Solutions Growth:** Apollo's in-house capital markets desk (ACS) monetizes every dollar deployed across all 16 proprietary origination platforms, regardless of capital source, earning \$808M in fees in FY2025, already 81% of management's 2029 target. We forecast fees reaching ~\$1.38B by 2030, driving ~\$385M in incremental FRE.

- Risks to Thesis**
- Private Credit Concerns:** A severe macroeconomic downturn triggering underlying defaults in ABF sectors could force liquidations in retail evergreen funds and heighten Risk-Based Capital (RBC) requirements, crippling Athene's ability to efficiently deploy capital.
 - Tighter Spreads and Regulations:** Imminent NAIC crackdowns and private credit saturation from Basel III endgame present headwinds to Athene's Net Investment Spread (NIS).
 - Legal and Reputational Risks:** Ongoing securities class action litigation and SEC scrutiny stemming from CEO Marc Rowan's undisclosed ties to Jeffrey Epstein pose a key-person and institutional capital risk, with Apollo's market cap having shed \$12B since February 2026 disclosures.



Source: Bloomberg Finance L.P.

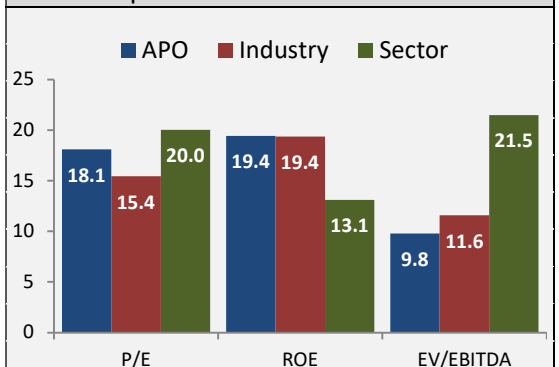
Target Price **\$163-189**

Market Data

Current Price:	\$124.26
Target Price:	\$179.79
Implied Upside:	45%
52wk Range:	\$99.56-157.28
Market Cap (B):	\$71.85
Shares Outstanding:	623,502,377
Beta (2Y Weekly):	1.49
Dividend Yield:	1.96%

Apollo Specifics (FY25)

Total AUM (B):	\$938
Fee-Generating AUM (B):	\$709
Perpetual Capital (B):	\$536
FRE Multiple:	20.55x
SRE Multiple:	17.47x



Source: Bloomberg Finance L.P.

Company Description

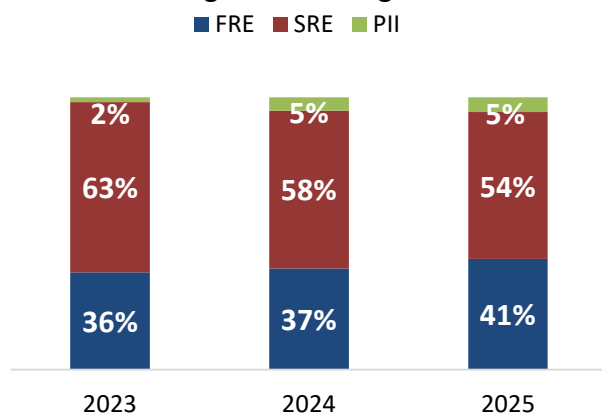
Apollo Global Management is a well-established alternative asset manager specializing in private credit, asset-backed finance (ABF), and perpetual capital sourcing. Unlike traditional private equity firms reliant on buyout fees and LP fundraising, Apollo operates a strategic liquidity-focused model. The Asset Management segment generates Fee Related Earnings (FRE) by managing capital for institutional and retail clients. The Retirement Services segment, Athene, issues annuities and facilitates pension risk transfers (PRTS). Athene generates Spread Related Earnings (SRE) by investing policyholder premiums directly into Apollo's credit platforms.

COMPANY DESCRIPTION

Apollo Global Management (NYSE: APO) is a leading alternative asset manager uniquely positioned away from traditional private equity/credit peers. Rather than relying on LP funding for LBOs, Apollo operates a synergistic model designed to capture the illiquidity premium from Asset Backed Finance (ABF) products. The firm can be split into three primary business segments: Asset Management, which generates Fee-Related Earnings (FRE) by managing institutional and retail capital, Principal Investing, which invests retained earnings, and Retirement Services, which facilitates Pension Risk Transfer deals and provides retirees with products such as Fixed Indexed Annuities.

Our primary catalyst for accelerated growth in FRE comes from a substantial gap in retail investors' portfolios for alternative assets. While alternative assets make up ~16% of the total asset universe⁵, the average retail portfolio contains ~1% exposure². This exposure has started to grow recently due to evergreen funds. We estimate that over the next 10 years, 5% of the total retail market of \$150T will shift towards alternative assets. Apollo is already positioned to capture this demand through its existing evergreen funds like Apollo Debt Solutions. We make a conservative estimate that Apollo will capture just 2% of the total shift towards alts.

2023-2025 Segment Earnings Breakdown



Source: Apollo Q4-2025 Earnings Supplement

Segment A: Asset Management – Driver 1

Apollo's Asset Management segment generates Fee-Related Earnings (FRE) predominantly through alternative credit strategies. Unlike direct lending peers, Apollo heavily weights its origination toward Asset-Backed Finance (ABF), representing 30% of its portfolio composition⁴. ABF structures are backed by recoverable assets, providing downside protection while capturing a material illiquidity premium over traditional direct lending.

Apollo circumvents the typical liquidity concerns of ABF through the relationship with Athene. With nearly 60% of total AUM structured as perpetual capital¹, Apollo can hold these illiquid, high-yielding assets without facing the redemption risks currently threatening retail-heavy private credit funds.

Tying this to our valuation model, we project an incremental \$150B in retail AUM. Our model phases this growth via a 25% CAGR for years 1-5, decelerating to 10% for years 6-8, and settling at a 5% terminal rate. Applying a historically consistent 30 bps net FRE yield¹ to this retail inflow, we project \$450M in incremental FRE by 2036, driving a 24% top-line FRE expansion relative to the 2025 baseline.

Segment B: Retirement Services – Driver 2

Apollo's Retirement Services segment, Athene, is responsible for driving Spread Related Earnings. Athene operates a highly efficient Asset-Liability Management (ALM) model. Athene manages retirement products such as Fixed Indexed Annuities (FIA) and pension funds for large corporations. In an FIA, Athene provides retirees with a principal-protected strategy that captures equity upside through S&P 500 call options. The "Option Budget" is funded by the yield generated from an underlying fixed-income portfolio.

Apollo's competitive advantage lies in its ability to generate yield via Asset-Backed Finance (ABF) and other private credit channels. By swapping single A public corporate bonds earning ~80 bps over Treasuries⁶ for similarly rated ABF, Apollo captures a massive illiquidity premium. Discussions with industry professionals indicate that Single-A ABF products are currently pricing at a ~225 bps spread. Since annuity and Pension Risk Transfer (PRT) liabilities are long-dated, the illiquidity brought by these private credit products is not a concern. This superior yield allows Athene to either offer more attractive PRT bids to drive AUM or pocket a wider net investment spread.

Our thesis views the current macroeconomic environment as a long-term catalyst for this segment. The U.S. is currently amid the highest retirement numbers in history, with 11,000-12,000 baby boomers turning 65 every day³, driving unprecedented organic demand for FIAs. Additionally, during the Zero Interest Rate Policy days, corporate pension funds were underfunded. This prevented firms from engaging in PRTs due to the massive upfront costs. Today, elevated long-term rates have decreased the present value of these pension obligations, making PRTs significantly more attractive. Recent examples of PRTs Apollo has engaged in are AT&T, Lumen Technologies, and Lockheed Martin.

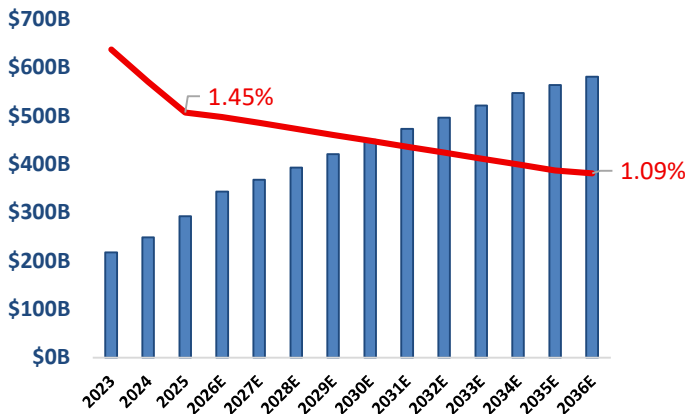
In forecasting Athene’s profitability, we expect substantial net investment spread compression of 36 basis points from 1.45% in 2025² to 1.09% by 2036 as a result of heightened private credit competition and stricter NAIC regulations. By incorporating this degradation, we ensure that our projected SRE expansion is entirely attributable to Apollo’s fundamental ability to grow its underlying asset base through demographic booms and PRT flows, rather than relying on stochastic, cyclical spread widening.

transaction fee each time a loan is originated and placed, recorded as “Capital solutions fees and other, net.” The key distinction from traditional asset managers is that ACS fees are earned on transaction volume regardless of spread, meaning ACS profits as an originator rather than a holder of credit risk.

ACS is the monetization engine that sits behind both the Asset Management and Retirement Services segments. Every dollar of retail AUM growth from the global wealth channel and every dollar of balance sheet expansion at Athene creates incremental demand for loan origination, and ACS captures a fee on each placement. Blackstone and KKR maintain direct lending capabilities, but neither has built proprietary origination infrastructure at this scale in asset-backed finance. These platforms represent years of acquisitions and data accumulation and cannot be replicated quickly, creating a self-reinforcing cycle where greater deal flow yields better underwriting data, attracting further deal flow.

Total origination volume scaled from \$102B in 2022 to \$309B in 2025, a ~45% CAGR, and capital solutions fees grew from \$298M in 2021 to \$808M in FY2025. We forecast fees reaching approximately \$1.38B by 2036, applying Apollo’s historical ~57% FRE margin to project roughly \$385M in incremental FRE contribution over the 2025 baseline

Invested Asset Growth Overpowers Spread Compression

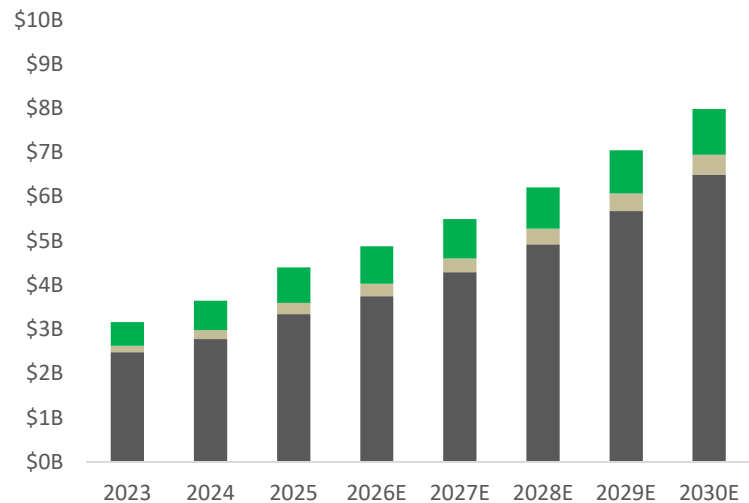


Source: Q4-2025 Earnings Supplement, Internal Estimates

Segment C: Apollo Capital Solutions – Driver 3

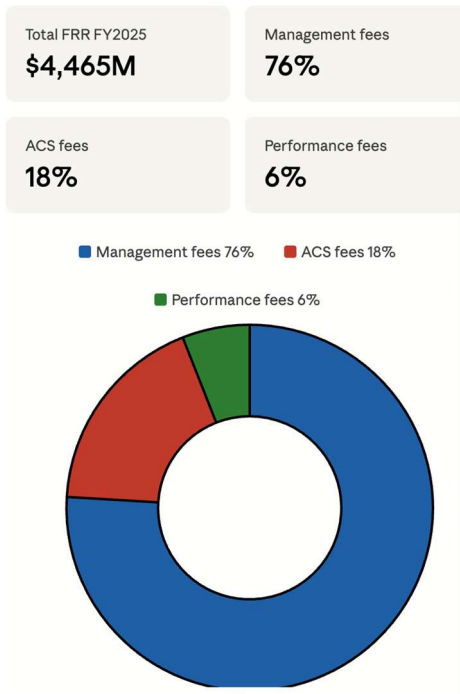
Apollo Capital Solutions (ACS) is Apollo’s in-house capital markets desk, responsible for originating and placing loans across 16 proprietary platforms, including Atlas SP, MidCap Financial, and PK AirFinance. ACS earns a

ACS Provides High-Margin Upside Atop Base Fees



Source: Apollo 10-K FY2025, Internal Estimates

Cost Structure Analysis



Source: Apollo 10-k FY2025

Apollo’s cost structure is best understood at the segment level, as the Asset Management and Retirement Services businesses operate under fundamentally different economic models with distinct cost drivers and margin dynamics.

Asset Management

The Asset Management segment operates with a largely fixed cost base, creating meaningful operating leverage as fee revenues scale. Compensation has historically run at approximately 26% of fee-related revenue and non-compensation expenses at approximately 17–18%, producing an FRE margin that expanded from 55.9% in FY2023 to 56.6% in FY2025.

The leverage dynamic is clear: from FY2024 to FY2025, fee-related revenue grew 22.3% while non-compensation expenses grew only 14.3%. Compensation is best characterized as semi-variable; base salaries are largely fixed, but a meaningful portion is performance-linked, driving a 27.4% uptick in FY2025 that reflects AUM growth rather than a structural cost increase.

Retirement Services

Athene’s cost structure is fundamentally different. The dominant cost is the cost of funds, the credited rate paid on annuity and PRT liabilities. In FY2025, investment income of \$14.3B against a cost of funds of \$10.1B produced a net investment spread of approximately 1.32% on invested assets, translating to SRE of \$3.3B after operating expenses and interest costs — a NIS-to-SRE conversion rate of ~76.9%, stable at 77.2% in FY2023 and 77.7% in FY2024.⁴ Our model assumes the net spread compresses 39 bps from 1.45% in 2025 to 1.09% by 2036, attributing all SRE growth entirely to Athene’s ability to grow its invested asset base rather than relying on spread widening as a tailwind.

Regulatory Capital

Apollo’s invested capital profile is unlike that of a traditional industrial or consumer business. There is virtually no fixed capital, no manufacturing plants, and no meaningful Net PPE. Apollo relies instead on intangible and financial capital; its capital is the AUM platform in the Asset Management segment and the invested asset base at Athene in the Retirement Services segment. These two pools of capital have fundamentally different characteristics and must be analyzed separately.

Asset Management

The Asset Management segment is highly capital light by design. Total segment assets grew from \$11.3B in FY2023 to \$15.5B in FY2025, composed primarily of cash, balance sheet investments, and goodwill of \$264M — the latter flat since 2022, declining from 2.3% to 1.7% of AM assets, reflecting Apollo’s preference to build origination infrastructure organically rather than through large goodwill-generating acquisitions.⁴ Fee revenue turnover on the AM segment held stable at approximately 0.29x across FY2023 to FY2025, and our forecast holds this ratio flat through 2028E, meaning FRE growth does not require proportional capital deployment. From FY2024 to FY2025, \$465M of incremental FRE was generated on \$3.3B of incremental assets — a ratio of 7.0x — driven largely by balance sheet investment growth tied to AUM scaling rather than operational capital needs. The primary capital requirement to support AM revenue growth is AUM itself, which is client capital rather than Apollo’s own balance sheet.

Retirement Services

Athene is the capital-intensive side of the business. Policyholder liabilities represent approximately 91% of total RS assets and function as insurance float: long-dated, locked-up obligations that Apollo deploys into proprietary credit platforms to earn the net investment spread that generates SRE.⁴ Total RS assets grew from \$272B in FY2023 to \$417B in FY2025 and are forecast to reach \$478B by 2028E, driven by continued FIA issuance and PRT execution. Invested assets scale from \$321B in 2025 to \$427B by 2028E, with absolute SRE growing from \$3.23B in 2025 to \$3.97B in 2028E despite a modestly declining SRE-to-RS-assets ratio — a consequence of deliberate volume-driven growth rather than deteriorating economics.

The regulatory dimension is the key risk to monitor. As an insurance company, Athene is subject to NAIC Risk-Based Capital requirements²⁶, which mandate statutory capital proportional to the risk profile of its invested asset portfolio. Apollo's competitive advantage depends on Athene's ability to deploy into higher-yielding illiquid ABF products rather than public corporate bonds. Widespread downgrades in ABF securities during a credit cycle downturn would increase the RBC charge on those assets and require Athene to hold more statutory capital, directly compressing SRE margins.

A related risk is Athene's use of Bermuda-domiciled reinsurance vehicles, which have historically allowed it to hold less statutory capital against its invested asset base than a purely domestic insurer. The NAIC is moving to close this advantage through pending CLO RBC recalibrations in 2026 and new Asset Adequacy Testing requirements for offshore reinsurance vehicles, both of which compress the yield advantage the structure has historically provided. Our model reflects this through the 36 basis point net spread fade from 1.45% in 2025 to 1.09% by 2036E.

MARKETS AND COMPETITION

Current & Forward-Looking Environment

Over the last three years, the primary structural trend in the industry has been the integration of insurance capital with alternative asset management. Concurrently, the private credit market has exploded, growing from \$2 trillion in 2020 to roughly \$3 trillion in 2025, with Morgan Stanley projecting it to hit \$5 trillion by 2029⁸. This growth is actively cannibalizing public credit markets, driven by regulatory arbitrage. As impending Basel III Endgame

regulations force traditional commercial banks to hold higher regulatory capital against corporate debt⁹, banks are structurally retreating from middle-market and leveraged lending. Alternative asset managers, such as Apollo, have stepped into this vacuum, serving as shadow banks to provide financing.

From the borrower's perspective, particularly private equity firms, private credit offers execution certainty that broadly syndicated loans (BSL) cannot match. In the public BSL market, underwriting banks have "flex" rights, allowing them to reprice or kill a deal entirely if market liquidity drops prior to syndication¹⁰. By bypassing syndication, direct lenders provide a straightforward solution that eliminates market-timing risk. This guaranteed execution, combined with the avoidance of public market volatility and disclosure requirements, justifies the pricing premium of private credit and further incentivizes companies to remain private.

Regarding our valuation model, we assume the private credit landscape will become increasingly saturated as the impending Basel III rollout accelerates the shift toward non-bank lending. To account for tightening yields driven by this influx of competing capital, we took a conservative approach to Apollo's Spread-Related Earnings (SRE), forecasting the net spread in the retirement services segment to tighten by 36 bps, fading from 1.45% in 2025 to 1.09% by 2036E.

Peer Comparisons

We segment Apollo's peers into three distinct categories: pure-play alternative asset managers (Blue Owl, Ares), pure-play retirement services (Corebridge, F&G Annuities), and fellow hybrid conglomerates (KKR, Blackstone).

Not all capital is created equal. Top-line AUM is a vanity metric that reveals little about downside protection or true competitive advantage. Structural resilience is dictated by perpetual capital ratios, liability sourcing (flighty retail vs. locked-up insurance), and the proportion of fee-generating capital. Furthermore, all the funds require dry powder for defense, to continue to fund private equity operations in the event that credit markets freeze up, and on offense to purchase new opportunities.

Apollo's structural advantage is evident in its funding profile. Main peers KKR and Blackstone operate with only 43%¹¹ and 41%¹² perpetual capital, respectively, while

Apollo sits at nearly 60%¹. Earnings composition further highlights this divergence. Apollo's total earnings split is 43% FRE / 57% SRE¹, compared to KKR at 77% FRE / 23% SRE¹¹. Blackstone¹² relies almost entirely on FRE, and pure-play asset managers like Blue Owl¹³ and Ares¹⁴ are 100% FRE. Because SRE is backed by locked-up annuity capital, SRE is a more stable metric from a liquidity standpoint, providing Apollo a definitive edge during liquidity panics in the private credit space. Our forecast takes this split to 45% FRE / 55% SRE by 2030 and 52% FRE / 48% SRE by 2036, indicating that the core business model stays consistent across the model but the additional retail capital does drive FRE to overtake SRE.

Retail capital introduces severe flight risk. During a panic, retail investors are the first to demand liquidity. Apollo's current exposure is minimal at just 4.8% of AUM, whereas its closest direct-lending peer, Blue Owl, is highly exposed with a 31% retail base¹³. Even adjusting for growth, our forecast only scales Apollo's retail exposure to 8% by 2030 and 11% by 2036.

FRE Profitability requires context: When taking FRE/FGAUM, Ares and Blue Owl generate 71 bps¹⁴ and 79 bps¹³ respectively while Blackstone generates 61¹² bps but Apollo comes in at only 35 bps². This isn't necessarily a sign of inferior pricing power but rather a result of their model with Athene. Athene's capital still gets charged a fee that factors into the cost of funds, but since that fee is being both paid for, and collected, by Apollo, the fees are extremely low, diluting the blended figure. According to Apollo and Athene's Fee Agreement, fees on Athene capital can be assumed to be between 15-21.5 Basis points, with a base fee of 15 bps and an additional sub-allocation fee of 6.5 bps¹⁵. Using the blended fee margin of 35 basis points to solve for the third-party fees, we arrive at a competitive third-party FRE margin of 75-90 bps, which is well in-line with the competitors.

Origination infrastructure is the barrier to entry that makes Apollo's competitive advantage incredibly unlikely to erode due to competition. The sustainability of the model comes down to manufacturing a competitive yield through illiquidity in ABF rather than lowering credit standards for direct lending. In order to profitably achieve this you need to manufacture those deals internally rather than paying investment banks premium fees. This is where Apollo Capital Solutions comes into play. Apollo operates 16 origination platforms. Many of these are proprietary

ABF origination platforms like Atlas SP, Wheels Donlen, and MidCap Financial.

Because Apollo's earnings are structurally insulated from retail flight risk and LP capital calls, its cash flows have a lower beta than pure-play FRE managers. In our valuation, this justifies applying a lower discount rate to the SRE cash flows and avoiding a heavy risk premium haircut to the third-party FRE.

RECENT DEVELOPMENTS

Recent Earnings Developments

Apollo's most recent earnings release covers Q4 and full year 2025, reported February 9, 2026. The quarter was a significant beat across the board. Q4 adjusted EPS came in at \$2.47 against a consensus estimate of \$2.03, a positive surplus of approximately 21.7%. Full year FRE reached \$2.5 billion, up 23% year-over-year, while SRE came in at \$3.4 billion, with combined FRE and SRE totaling \$5.9 billion for the year. The EPS beat was driven primarily by stronger-than-expected AUM growth and

record origination volume, rather than margin expansion. Non-compensation expenses did tick up modestly, which management characterized as investment in platform infrastructure rather than structural cost creep.

On guidance, management expects greater than 20% FRE growth in asset management for 2026 and approximately 10% SRE growth, assuming an 11% alternatives return, equating to roughly \$3.85 billion in SRE. Management also reiterated a net spread target in the 120-125 basis point range.

Our model is broadly consistent with management's FRE growth guidance. We project \$2.81B in FRE for 2026E, implying approximately 13% growth off our 2025 baseline of \$2.49B, which is more conservative than management's 20%+ target. The primary divergence is that management's guidance does not break out the retail wealth channel contribution explicitly, whereas our model phases global wealth AUM growth at a 25% CAGR in years 1-5. On SRE, our 2026E projection of \$3.57B is roughly in line with management's ~\$3.85B target, with the gap attributable to our more conservative net spread assumption of 136 bps versus management's guided 120-125 bps range. We intentionally hold a tighter spread over the forecast period to reflect competitive pressure in the annuity market.

Recent Development #1

In September 2025, Apollo completed its acquisition of Bridge Investment Group²³ in an all-stock transaction, bringing approximately \$50 billion in AUM across specialized real estate asset classes onto Apollo's platform. Bridge is an established manager in residential and industrial real estate, and the deal was structured to allow Bridge to retain its brand, management team, and dedicated capital formation infrastructure as a platform company within Apollo's asset management business.

The strategic rationale is twofold. First, it immediately expands Apollo's real estate equity capabilities, an area where Apollo had historically been lighter relative to peers like Blackstone. Second, and more relevant to our thesis, Bridge's retail-facing distribution network strengthens Apollo's global wealth channel, the primary driver of our Driver 1 FRE forecast. Apollo's retail AUM currently stands at approximately 4.8% of AUM, and Bridge's existing HNWI investor relationships accelerate the buildout of that channel without requiring Apollo to construct distribution infrastructure organically.

The deal does introduce a modest near-term FRE margin headwind. Management acknowledged on the Q4 earnings call that excluding the impact of Bridge, full-year FRE margin grew approximately 50 basis points, implying the Bridge integration costs diluted overall margin in 2025. Our model forecasts FRE margin expanding from 57% toward 60% by 2030, and we view this as achievable as integration costs normalize over the next one to two years and Bridge's AUM base begins generating fees on Apollo's higher-margin platforms.

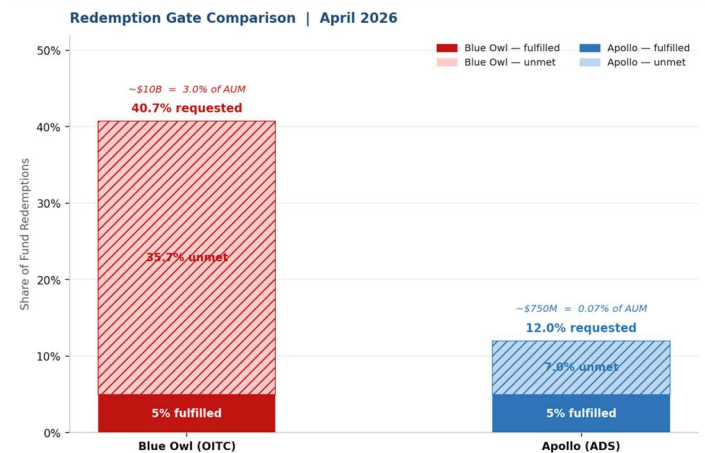
RISKS

“Private Credit Bubble”

The current panic in private credit is a localized retail run on sponsor-backed software debt, not a systemic failure. The broader direct lending market is facing a liquidity crisis driven by rising defaults and redemption queues. We saw this peak on April 2, 2026, when Blue Owl restricted withdrawals on its tech-heavy evergreen funds. Investors requested to pull 40.7% of OITC's shares; Blue Owl fulfilled just 5%¹⁸. That unmet liquidity demand represents roughly \$10B, or a massive 3% of their total AUM¹³.

Apollo's direct lending fund (ADS) faced similar tech-exposure headwinds and instituted a 5% gate against 12% in redemption requests¹⁶. However, context is critical: the shortfall for Apollo was ~\$750M. That is 0.07% of the firm's total AUM¹. For Blue Owl, the redemption queue is a structural crisis. For Apollo, it is a rounding error.

JPMorgan recently confirmed what Apollo has telegraphed for years: the future of private credit is not corporate direct lending, but Asset-Backed Finance (ABF)¹⁷. ABF insulates capital from corporate default cycles because the paper amortizes and is secured by diversified hard assets. The barrier to entry in ABF is where Apollo gets its competitive advantage. ABF requires massive infrastructure for origination, legal structuring, and continuous loan assessment. Competitors simply don't have the experience and scale to compete at the scale Apollo operates at.



Source: Blue Owl Q1 2026 disclosure; Apollo Q4 2025 earnings call

Net Investment Spread, Regulatory Headwinds, and Interest Rates

Credit spread tightening is inevitable; as the debt market shifts towards private funding because of Basel III endgame, competition will pick up and thus spreads will tighten leading to a drop in Athene's investment yield.

Concurrently, pending NAIC crackdowns on Bermuda loopholes threaten Athene's ROE, which relies heavily on favorable Risk-Based Capital (RBC) treatment for

structured credit and offshore reinsurance vehicles. As regulators mandate higher statutory capital charges via 2026 CLO RBC recalibrations and new Asset Adequacy Testing requirements²⁸, the premium yield historically provided by these structures will degrade. To account for these headwinds, our model applies a 36 bps tightening to Athene's Net Investment Spread (NIS) over the forecast period, fading from 1.45% in 2025 to 1.09% by 2036E.

Interest rates present a balancing act between origination volume and net yield, creating net offsets rather than directional exposure. Higher rates slow private credit origination as the cost of capital rises, but simultaneously drive retail demand for Athene's FIAs, institutional demand for PRTs, and expand the net investment spread margin. Conversely, lower rates stimulate financing demand, boosting ACS-driven FRE, while boosting investment valuations. Realizing these gains accelerates exit velocity and generates massive Performance Related Earnings (PRE). While this model insulates Apollo from standard rate fluctuations, a severe collapse in the long end of the curve would compress FIA margins and stall PRT deal flows beyond the origination and valuation boosts.

Legal and Reputational Risk

Beginning in February 2026, investigative reports by the Financial Times and CNN revealed that CEO Marc Rowan and other senior Apollo executives held undisclosed discussions with Jeffrey Epstein throughout the 2010s regarding Apollo's tax arrangements and potential corporate inversions, directly contradicting Apollo's prior assurances that the firm's Epstein relationship began and ended with former CEO Leon Black.¹⁹ The initial FT report on February 1, 2026 drove shares from \$134.54 to \$126.85 over two sessions. A follow-up FT article on February 17, reporting that two teachers' unions with over \$27.5B in Apollo capital commitments²⁰ had written to the SEC demanding an investigation, drove shares to \$118.34. A subsequent CNN report on February 21²¹ triggered a further 5% decline to \$113.73, erasing over \$12B in market capitalization in aggregate. On April 13, 2026, Hagens Berman filed a federal securities class action (*Feldman v. Apollo Global Management*, No. 1:26-cv-01692, S.D.N.Y.)²², with Pomerantz LLP filing a separate action on comparable grounds.

The historical precedent for large-scale securities class actions at financial firms, however, suggests the long-term operational impact is typically contained. Wells Fargo²⁵

faced a \$1 billion securities class action settlement in 2023 stemming from misleading disclosures about its post-scandal compliance reforms, one of the twenty largest shareholder settlements in U.S. history. Despite CEO turnover, regulatory consent orders, and years of litigation, Wells Fargo's stock recovered fully, and the firm continued to grow earnings through the settlement period. The litigation did not impair the underlying business. Apollo's situation is analogous in structure: the allegations center on disclosure failures rather than fraud in the firm's core operations, and Apollo's earnings engine¹ — \$6.2B in combined FRE, SRE, and PII in FY2025 — is entirely unaffected by the legal proceedings. We believe the market has largely priced in the reputational overhang, as the cumulative \$12B market cap decline represents a significant sentiment discount already applied to the stock. Barring material escalation, such as an adverse SEC enforcement action or a large LP redemption event, we do not view the litigation as a structural impediment to our BUY thesis. Future analysts should monitor SEC enforcement actions, LP redemption patterns, and AUM growth guidance as the primary leading indicators of escalation.

Debt Maturity Analysis

Apollo's HoldCo debt profile is modest relative to its earnings power and is concentrated almost entirely in the Asset Management segment. As of December 31, 2025, total HoldCo debt stood at approximately \$5.5 billion, composed of senior unsecured notes across staggered maturities from 2026 through 2035.⁴ The near-term maturity picture has been proactively addressed. In March 2026, Apollo issued \$750M of 5.700% Senior Notes due 2036, using the proceeds to retire in full the \$500M of 4.400% Senior Notes due 2026 ahead of or at maturity.²⁷ This refinancing extends the maturity wall and increases the average duration of the debt stack, leaving no material maturities until 2029.

Apollo's ability to service this debt from operating cash flow is not in question. FY2025 adjusted net income of \$5.2B covers total HoldCo debt of \$5.5B on a roughly 1.0x basis, and combined FRE and SRE of \$5.9B provides more than adequate coverage of annual interest obligations, which run at approximately \$275M per year on the current stack. Apollo does not maintain a publicly stated leverage target, but management has consistently characterized the HoldCo balance sheet as conservatively positioned relative to earnings. We do not model any debt refinancing

risk over our forecast horizon, and expect Apollo to continue its pattern of opportunistically terming out near-term maturities into longer-dated instruments as market conditions allow

Five-Year Debt Maturity Schedule

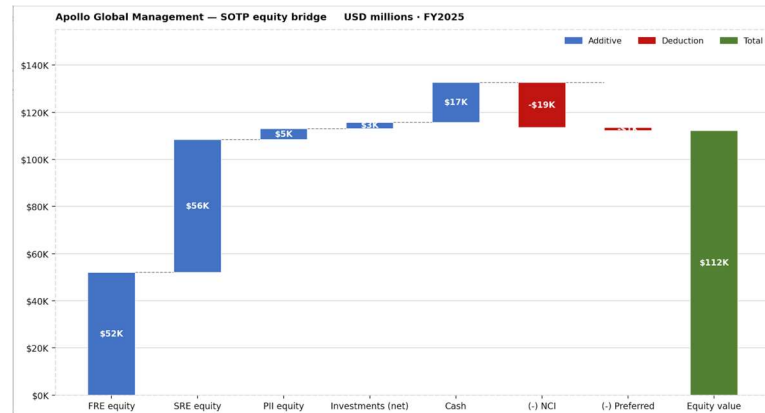
Fiscal Year	Coupon (%)	Payment (\$mil)
2026	4.400%	\$500
2029	4.875%	\$500
2031	4.600%	\$400
2035	5.150%	\$850
2036	5.700%	\$750
Other (2033, 2053, 2054)	Various	~\$3,300
Total		~\$6,300

Source: Apollo Global Management Form 10-K, FY2025; Apollo Global Management Press Release, March 2026

VALUATION

Methodology

We valued Apollo Global Management utilizing a Sum-of-the-Parts (SOTP) methodology to capture the distinct nature of the Asset Management, Retirement Services, and Principal Investing segments. Because both Fee-Related Earnings (FRE) and Spread-Related Earnings (SRE) are post-interest expense cash flows, we bypassed a traditional unlevered DCF. Instead, we projected equity-level cash flows for both segments and discounted them at their respective Costs of Equity. We sum these segment equity values, add surplus cash and balance sheet investments (net of a 20% illiquidity haircut), and subtract non-controlling interests (NCI) and preferred equity to arrive at total Implied Equity Value of \$112B or a share price of \$179.79.



Source: Internal Estimates

Cost of Equity

We applied a 4.25% risk-free rate (current 10-year Treasury yield) and a 5.0% Equity Risk Premium across the model. Segment-specific betas were calculated using a weekly, 2yr regression. For Retirement Services, we derived a beta of 1.27 based on a peer group of traditional life and annuity insurers (JXN, CRBG, EQH). For Asset Management, we derived a beta of 1.52 utilizing alternative asset management peers (BX, OWL, ARES). The blended implied beta aligns with Apollo's current firm-wide beta of 1.49.

Growth and Margin Assumptions

Top-line growth was projected via a top-down, AUM-driven approach. We utilized a three-stage growth model forecasting AUM expansion across Apollo's three primary distribution channels: retail, institutional, and insurance. Fee margins and the Fee-Generating AUM mix were held flat to historical averages over the projection period. Similarly, performance fees and operating expenses were forecasted as a fixed proportion of Fee-Related and Spread-Related Revenues based on historical run rates.

Principal Investing

A third segment of APO that we have not mentioned yet is Principal Investing. This segment invests retained earnings into proprietary investments and is known to be extremely volatile. Due to this volatility and the proprietary nature of the segment, attempting to forecast Principal Investing Income (PII) to the extent we've forecasted SRE and FRE introduces unnecessary speculation. Instead, we apply a normalized baseline, assuming PII remains at a consistent 0.125% of AUM as it has historically. We apply a standard

aggressive PE hurdle rate of 20% as our cost of equity. This discount rate, less our terminal growth assumption of 4%, brings the total equity value of the segment to \$3.16B, roughly 3% of the total equity value.

KEYS TO MONITOR

We maintain our BUY rating on Apollo Global Management with a target price of \$179.79. The investment case is predicated on three durable structural advantages: the perpetual capital flywheel via Athene, the demographic tailwind driving PRT and FIA demand, and the ACS origination infrastructure generating fee revenue independent of credit cycles. Our conviction in the thesis would begin to erode under the following conditions, and future analysts should monitor these variables closely.

Athene Net Investment Spread. Our model assumes net spread compresses from 1.32% in 2025 to 1.09% by 2036. If the spread were to fall below 1.00% on a sustained basis, indicating structural deterioration in Athene's asset yield advantage rather than cyclical compression, our SRE projections would require a material downward revision. The key indicator is the quarterly blended net spread disclosed in the earnings supplement. Management currently guides to 120 to 125 bps; a sustained reading below 110 bps would be a threshold for concern.

Global Wealth AUM Inflows. Our Driver 1 FRE thesis depends on Apollo capturing 2% of a \$7.5T shift toward alternative assets in the retail channel. The primary leading indicator is annual global wealth inflows, which reached \$18B in FY2025. If this figure stalls below \$12B for two consecutive years, it would suggest the retail penetration thesis is not materializing at the pace assumed in our model and would justify revisiting our FRE growth assumptions. Conversely, sustained inflows above \$25B annually would represent upside to our base case.

ACS Origination Volume and Fee Margin. Capital solutions fees grew from \$298M in 2021 to \$808M in FY2025 on the back of record origination volume. Our model forecasts continued growth toward \$1.38B by 2036. If origination volume were to contract below \$200B annually, suggesting a structural pullback in private credit demand rather than a cyclical pause, ACS fee growth would stall, compressing the incremental FRE contribution that underpins our Driver 3 thesis. Monitor quarterly

origination volume and the ACS fee-to-volume ratio for early signs of pricing pressure or volume deceleration.

Legal and Reputational Escalation. As discussed in the Risks section, we believe the Epstein-related litigation is largely priced into the stock at current levels. However, if the SEC were to initiate a formal enforcement action against Apollo or its executives, or if a major institutional LP representing more than \$30B in AUM were to publicly freeze or withdraw capital commitments, we would reassess the key-person risk premium applied to the discount rate and the AUM growth trajectory. These events would represent a fundamental change in thesis rather than a temporary headline risk.

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Dollar Values In Millions

Segment Earnings Forecast

Year	2023	2024	2025	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E	2035E	2036E
AUM	\$651,000	\$751,000	\$938,000	\$1,064,917	\$1,213,375	\$1,387,513	\$1,592,315	\$1,817,299	\$1,934,556	\$2,059,704	\$2,193,299	\$2,335,936	\$2,436,226	\$2,541,037
Fee Generating AUM	\$493,100	\$569,000	\$709,100	\$808,756	\$919,475	\$1,049,157	\$1,201,466	\$1,368,131	\$1,455,964	\$1,549,688	\$1,649,716	\$1,756,494	\$1,831,278	\$1,909,411
Credit Fee	\$1,688	\$2,015	\$2,397	\$2,717	\$3,063	\$3,466	\$3,937	\$4,444	\$4,724	\$5,022	\$5,340	\$5,679	\$5,913	\$6,157
Equity Fee	\$792	\$761	\$948	\$1,036	\$1,229	\$1,460	\$1,737	\$2,057	\$2,200	\$2,354	\$2,518	\$2,694	\$2,825	\$2,962
Management Fees	\$2,480	\$2,776	\$3,346	\$3,753	\$4,293	\$4,927	\$5,674	\$6,501	\$6,924	\$7,376	\$7,858	\$8,373	\$8,738	\$9,119
Origination Volume	\$97,000	\$222,000	\$309,000	\$324,450	\$340,673	\$357,706	\$375,591	\$394,371	\$414,090	\$434,794	\$456,534	\$479,360	\$503,328	\$528,495
Capital Solutions Fees	\$538	\$668	\$808	\$848	\$891	\$935	\$982	\$1,031	\$1,083	\$1,137	\$1,194	\$1,254	\$1,316	\$1,382
Fee Related Performance Fees	\$146	\$208	\$249	\$276	\$311	\$352	\$399	\$452	\$480	\$511	\$543	\$578	\$603	\$630
Fee Related Revenue	\$3,164	\$3,652	\$4,403	\$4,878	\$5,494	\$6,214	\$7,056	\$7,984	\$8,487	\$9,023	\$9,595	\$10,204	\$10,657	\$11,131
Fee Related Compensation	(\$835)	(\$925)	(\$1,126)	(\$1,268)	(\$1,429)	(\$1,616)	(\$1,835)	(\$2,076)	(\$2,207)	(\$2,346)	(\$2,495)	(\$2,653)	(\$2,771)	(\$2,894)
Non-compensation Expense	(\$561)	(\$664)	(\$749)	(\$829)	(\$934)	(\$1,056)	(\$1,200)	(\$1,357)	(\$1,443)	(\$1,534)	(\$1,631)	(\$1,735)	(\$1,812)	(\$1,892)
Fee Related Expenses	(\$1,396)	(\$1,589)	(\$1,875)	(\$2,097)	(\$2,363)	(\$2,672)	(\$3,034)	(\$3,433)	(\$3,650)	(\$3,880)	(\$4,126)	(\$4,388)	(\$4,582)	(\$4,786)
FRE	\$1,768	\$2,063	\$2,528	\$2,780	\$3,132	\$3,542	\$4,022	\$4,551	\$4,838	\$5,143	\$5,469	\$5,816	\$6,074	\$6,345
SRE Forecast	2023	2024	2025	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E	2035E	2036E
Invested Assets	\$217,427	\$248,643	\$292,414	\$343,581	\$367,631	\$393,366	\$420,901	\$450,364	\$472,883	\$496,527	\$521,353	\$547,421	\$563,843	\$580,759
<i>Yield Assumptions:</i>														
Investment Yield %	4.42%	4.73%	4.90%	4.87%	4.84%	4.80%	4.77%	4.73%	4.70%	4.66%	4.63%	4.59%	4.56%	4.54%
Cost of Funds %	2.60%	3.10%	3.45%	3.45%	3.45%	3.45%	3.45%	3.45%	3.45%	3.45%	3.45%	3.45%	3.45%	3.45%
Spread	1.82%	1.63%	1.45%	1.42%	1.39%	1.35%	1.32%	1.28%	1.25%	1.21%	1.18%	1.14%	1.11%	1.09%
Investment Income	\$9,610	\$11,750	\$14,320	\$16,732	\$17,775	\$18,882	\$20,056	\$21,302	\$22,202	\$23,138	\$24,113	\$25,127	\$25,683	\$26,356
Cost of Funds	\$5,650	\$7,700	\$10,083	\$10,788	\$11,544	\$12,352	\$13,216	\$14,141	\$14,849	\$15,591	\$16,370	\$17,189	\$17,705	\$18,236
Net Investment Spread	\$3,960	\$4,050	\$4,237	\$5,944	\$6,231	\$6,530	\$6,840	\$7,161	\$7,353	\$7,547	\$7,742	\$7,938	\$7,978	\$8,120
Operating Expenses	\$481	\$458	\$447	\$515	\$551	\$590	\$631	\$676	\$709	\$745	\$782	\$821	\$846	\$871
Interest Expense	\$436	\$465	\$560	\$687	\$735	\$787	\$842	\$901	\$946	\$993	\$1,043	\$1,095	\$1,128	\$1,162
SRE	\$3,043	\$3,127	\$3,230	\$4,741	\$4,945	\$5,153	\$5,366	\$5,585	\$5,698	\$5,809	\$5,917	\$6,022	\$6,005	\$6,087
PII Forecast	2023	2024	2025	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E	2035E	2036E
Realized performance fees	\$742	\$921	\$1,198	\$1,331	\$1,517	\$1,734	\$1,990	\$2,272	\$2,418	\$2,575	\$2,742	\$2,920	\$3,045	\$3,176
Realized investment income	(\$2)	\$74	\$95	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50
Realized principal investing compensation	(\$601)	(\$664)	(\$892)	(\$932)	(\$1,062)	(\$1,214)	(\$1,393)	(\$1,590)	(\$1,693)	(\$1,802)	(\$1,919)	(\$2,044)	(\$2,132)	(\$2,223)
Other operating expenses	(\$56)	(\$60)	(\$63)	(\$60)	(\$60)	(\$60)	(\$60)	(\$60)	(\$60)	(\$60)	(\$60)	(\$60)	(\$60)	(\$60)
PII	\$83	\$271	\$338	\$389	\$445	\$510	\$587	\$671	\$715	\$762	\$812	\$866	\$904	\$943

Sum-of-The-Parts & Cost of Equity Calculation

	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
PV of FRE	\$2,486	\$2,504	\$2,533	\$2,572	\$2,602	\$2,473	\$2,351	\$2,236	\$2,126	\$1,986	\$1,855
PV of SRE	\$4,287	\$4,042	\$3,809	\$3,586	\$3,375	\$3,113	\$2,870	\$2,643	\$2,432	\$2,193	\$2,010
PV of PII	\$324	\$309	\$295	\$283	\$270	\$240	\$213	\$189	\$168	\$146	\$127

Valuation	
Asset Management	\$51,955
Retirement Services	\$56,443
Principal Investing	\$4,682
Total Equity Value	\$113,080
Investments At Book Value	\$3,236
Investment Discount	20%
Net Investments	\$2,589
Cash and Cash Equivalents	\$17,000
NCI	(\$19,170)
Preferred Equity	(\$1,400)
Total Firm Value	\$112,099
Shares Outstanding	623,502,377
Share Price	\$179.79

Terminal Growth Rates	
FRE	4.45%
SRE	1.37%
PII	4.35%

Segment	PV of TV
FRE TV	\$26,231
SRE TV	\$22,084
PII TV	\$2,119

Cost of Equity Calculation	
Risk Free Rate	4.25%
Equity Risk Premium	5.00%
Asset Management Beta	1.52
Retirement Services Beta	1.27
Asset Management Cost of Equity	11.85%
Retirement Services Cost of Equity	10.60%
Principal Investing Cost of Equity	20%

Dollar Values In Millions

<i>Fiscal Year Ending Dec. 31</i>	2023	2024	2025	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E	2035E	2036E
Fee Related Earnings														
Management Fees	\$2,480	\$2,776	\$3,346	\$3,753	\$4,293	\$4,927	\$5,674	\$6,501	\$6,924	\$7,376	\$7,858	\$8,373	\$8,738	\$9,119
Capital Solutions Fees	\$538	\$668	\$808	\$848	\$891	\$935	\$982	\$1,031	\$1,083	\$1,137	\$1,194	\$1,254	\$1,316	\$1,382
Performance Fees	\$146	\$208	\$249	\$276	\$311	\$352	\$399	\$452	\$480	\$511	\$543	\$578	\$603	\$630
Fee Related Revenue	\$3,164	\$3,652	\$4,403	\$4,878	\$5,494	\$6,214	\$7,056	\$7,984	\$8,487	\$9,023	\$9,595	\$10,204	\$10,657	\$11,131
Expenses														
Fee Related Compensation	(\$835)	(\$925)	(\$1,126)	(\$1,268)	(\$1,429)	(\$1,616)	(\$1,835)	(\$2,076)	(\$2,207)	(\$2,346)	(\$2,495)	(\$2,653)	(\$2,771)	(\$2,894)
Non-Compensation Expenses	(\$561)	(\$664)	(\$749)	(\$829)	(\$934)	(\$1,056)	(\$1,200)	(\$1,357)	(\$1,443)	(\$1,534)	(\$1,631)	(\$1,735)	(\$1,812)	(\$1,892)
Fee Related Expenses	(\$1,396)	(\$1,589)	(\$1,875)	(\$2,097)	(\$2,363)	(\$2,672)	(\$3,034)	(\$3,433)	(\$3,650)	(\$3,880)	(\$4,126)	(\$4,388)	(\$4,582)	(\$4,786)
Fee Related Earnings	\$1,768	\$2,063	\$2,528	\$2,780	\$3,132	\$3,542	\$4,022	\$4,551	\$4,838	\$5,143	\$5,469	\$5,816	\$6,074	\$6,345
Spread Related Earnings														
Investment Income	\$9,610	\$11,750	\$14,320	\$16,732	\$17,775	\$18,882	\$20,056	\$21,302	\$22,202	\$23,138	\$24,113	\$25,127	\$25,683	\$26,356
Cost of Funds	\$5,650	\$7,700	\$10,083	\$10,788	\$11,544	\$12,352	\$13,216	\$14,141	\$14,849	\$15,591	\$16,370	\$17,189	\$17,705	\$18,236
Net Investment Spread	\$3,960	\$4,050	\$4,237	\$5,944	\$6,231	\$6,530	\$6,840	\$7,161	\$7,353	\$7,547	\$7,742	\$7,938	\$7,978	\$8,120
Operating Expenses	(\$481)	(\$458)	(\$447)	(\$515)	(\$551)	(\$590)	(\$631)	(\$676)	(\$709)	(\$745)	(\$782)	(\$821)	(\$846)	(\$871)
Interest Expense	(\$436)	(\$465)	(\$560)	(\$687)	(\$735)	(\$787)	(\$842)	(\$901)	(\$946)	(\$993)	(\$1,043)	(\$1,095)	(\$1,128)	(\$1,162)
Spread Related Expenses	(\$917)	(\$923)	(\$1,007)	(\$1,203)	(\$1,287)	(\$1,377)	(\$1,473)	(\$1,576)	(\$1,655)	(\$1,738)	(\$1,825)	(\$1,916)	(\$1,973)	(\$2,033)
Spread Related Earnings	\$3,043	\$3,127	\$3,230	\$4,741	\$4,945	\$5,153	\$5,366	\$5,585	\$5,698	\$5,809	\$5,917	\$6,022	\$6,005	\$6,087
Principal Investing Income														
Revenue														
Realized performance fees	\$742	\$921	\$1,198	\$1,331	\$1,517	\$1,734	\$1,990	\$2,272	\$2,418	\$2,575	\$2,742	\$2,920	\$3,045	\$3,176
Realized investment income	(\$2)	\$74	\$95	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50
Principal Investing Revenue	\$740	\$995	\$1,293	\$1,381	\$1,567	\$1,784	\$2,040	\$2,322	\$2,468	\$2,625	\$2,792	\$2,970	\$3,095	\$3,226
Realized principal investing com	(\$601)	(\$664)	(\$892)	(\$932)	(\$1,062)	(\$1,214)	(\$1,393)	(\$1,590)	(\$1,693)	(\$1,802)	(\$1,919)	(\$2,044)	(\$2,132)	(\$2,223)
Other operating expenses	(\$56)	(\$60)	(\$63)	(\$60)	(\$60)	(\$60)	(\$60)	(\$60)	(\$60)	(\$60)	(\$60)	(\$60)	(\$60)	(\$60)
Principal Investing Expenses	(\$657)	(\$724)	(\$955)	(\$992)	(\$1,122)	(\$1,274)	(\$1,453)	(\$1,650)	(\$1,753)	(\$1,862)	(\$1,979)	(\$2,104)	(\$2,192)	(\$2,283)
Principal Investing Income	\$83	\$271	\$338	\$389	\$445	\$510	\$587	\$671	\$715	\$762	\$812	\$866	\$904	\$943
Total Segment Earnings (Non-	\$4,894	\$5,461	\$6,096	\$7,911	\$8,521	\$9,205	\$9,976	\$10,807	\$11,251	\$11,715	\$12,199	\$12,704	\$12,983	\$13,375
HoldCo Interest	(\$88)	(\$80)	(\$143)	(\$158)	(\$170)	(\$184)	(\$200)	(\$216)	(\$225)	(\$234)	(\$244)	(\$254)	(\$260)	(\$267)
Tax	(\$789)	(\$913)	(\$889)	(\$1,266)	(\$1,363)	(\$1,473)	(\$1,596)	(\$1,729)	(\$1,800)	(\$1,874)	(\$1,952)	(\$2,033)	(\$2,077)	(\$2,140)
Adjusted Net Income	\$4,017	\$4,468	\$5,064	\$6,487	\$6,988	\$7,548	\$8,180	\$8,862	\$9,226	\$9,606	\$10,003	\$10,417	\$10,646	\$10,967

Dollar Values In Millions

<i>Fiscal Year Ending Dec. 31</i>	2023	2024	2025	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E	2035E	2036E
Asset Management Business Segment														
<i>Assets</i>														
Cash	\$2,357	\$2,751	\$3,371	\$3,707	\$4,176	\$4,723	\$5,363	\$6,068	\$6,450	\$6,858	\$7,292	\$7,755	\$8,099	\$8,459
Investments	\$4,321	\$4,985	\$6,226	\$7,068	\$8,054	\$9,210	\$10,569	\$12,062	\$12,841	\$13,671	\$14,558	\$15,505	\$16,171	\$16,866
Goodwill	\$1,848	\$1,848	\$1,848	\$1,848	\$1,848	\$1,848	\$1,848	\$1,848	\$1,848	\$1,848	\$1,848	\$1,848	\$1,848	\$1,848
Other Assets	\$2,689	\$3,104	\$3,743	\$4,146	\$4,670	\$5,282	\$5,998	\$6,787	\$7,214	\$7,670	\$8,156	\$8,674	\$9,058	\$9,461
Total Assets	\$11,216	\$12,688	\$15,188	\$16,769	\$18,748	\$21,062	\$23,777	\$26,765	\$28,353	\$30,047	\$31,854	\$33,782	\$35,176	\$36,635
<i>Liabilities</i>														
Debt	\$3,828	\$4,416	\$5,516	\$6,262	\$7,135	\$8,159	\$9,364	\$10,687	\$11,376	\$12,112	\$12,898	\$13,737	\$14,326	\$14,943
AP And accrued Expenses	\$2,875	\$3,273	\$3,861	\$4,320	\$4,866	\$5,504	\$6,249	\$7,072	\$7,517	\$7,992	\$8,498	\$9,038	\$9,439	\$9,858
Other Liabilities	\$1,256	\$1,430	\$1,687	\$1,888	\$2,126	\$2,405	\$2,731	\$3,090	\$3,285	\$3,492	\$3,713	\$3,949	\$4,124	\$4,308
Total Liabilities	\$7,960	\$9,119	\$11,064	\$12,470	\$14,128	\$16,068	\$18,344	\$20,848	\$22,178	\$23,596	\$25,109	\$26,723	\$27,889	\$29,109
Asset Management Attributable Equity	\$3,256	\$3,568	\$4,124	\$4,299	\$4,620	\$4,994	\$5,433	\$5,917	\$6,175	\$6,451	\$6,745	\$7,058	\$7,287	\$7,526
Retirement Services (Athene)														
<i>Assets</i>														
Invested Assets	\$217,427	\$248,643	\$292,414	\$343,581	\$367,631	\$393,366	\$420,901	\$450,364	\$472,883	\$496,527	\$521,353	\$547,421	\$563,843	\$580,759
Cash	\$10,871	\$12,432	\$14,621	\$17,179	\$18,382	\$19,668	\$21,045	\$22,518	\$23,644	\$24,826	\$26,068	\$27,371	\$28,192	\$29,038
Restricted Cash & Cash Equivalents	\$978	\$1,119	\$1,316	\$1,546	\$1,654	\$1,770	\$1,894	\$2,027	\$2,128	\$2,234	\$2,346	\$2,463	\$2,537	\$2,613
Other Assets	\$15,120	\$15,120	\$15,120	\$18,897	\$20,220	\$21,635	\$23,150	\$24,770	\$26,009	\$27,309	\$28,674	\$30,108	\$31,011	\$31,942
Total Assets	\$244,397	\$277,314	\$323,471	\$381,203	\$407,887	\$436,439	\$466,990	\$499,679	\$524,663	\$550,896	\$578,441	\$607,363	\$625,584	\$644,352
<i>Liabilities</i>														
Policyholder Liabilities	\$226,105	\$256,059	\$298,062	\$350,598	\$374,881	\$400,863	\$428,665	\$458,412	\$481,147	\$505,019	\$530,085	\$556,404	\$572,985	\$590,064
Other Liabilities	\$9,939	\$11,255	\$13,102	\$15,411	\$16,478	\$17,620	\$18,842	\$20,150	\$21,149	\$22,199	\$23,300	\$24,457	\$25,186	\$25,937
Total Liabilities	\$236,043	\$267,315	\$311,164	\$366,009	\$391,359	\$418,484	\$447,507	\$478,562	\$502,297	\$527,218	\$553,386	\$580,862	\$598,171	\$616,001
Implied Equity	\$8,353	\$9,999	\$12,307	\$15,194	\$16,528	\$17,955	\$19,483	\$21,117	\$22,367	\$23,678	\$25,056	\$26,502	\$27,413	\$28,351
Total Assets	\$255,613	\$290,002	\$338,658	\$397,972	\$426,635	\$457,501	\$490,767	\$526,444	\$553,016	\$580,943	\$610,295	\$641,145	\$660,760	\$680,986
Total Liabilities	\$244,003	\$276,434	\$322,228	\$378,479	\$405,487	\$434,552	\$465,851	\$499,410	\$524,475	\$550,814	\$578,495	\$607,585	\$626,061	\$645,109
Total Equity	\$11,609	\$13,567	\$16,431	\$19,493	\$21,148	\$22,950	\$24,916	\$27,034	\$28,542	\$30,129	\$31,800	\$33,560	\$34,699	\$35,877


Statement of Cashflows Forecast

Fiscal Year Ending Dec. 31	2024	2025	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E	2035E	2036E
Adjusted Net Income	\$4,468	\$5,064	\$6,487	\$6,988	\$7,548	\$8,180	\$8,862	\$9,226	\$9,606	\$10,003	\$10,417	\$10,646	\$10,967
<i>Asset Management</i>													
Δ Equity	\$313	\$556	\$176	\$320	\$375	\$439	\$483	\$258	\$276	\$294	\$313	\$229	\$239
Δ AP and Accrued Expenses	\$398	\$588	\$459	\$546	\$637	\$746	\$822	\$446	\$475	\$506	\$540	\$401	\$420
Δ Other Liabilities	\$174	\$257	\$201	\$239	\$278	\$326	\$359	\$195	\$207	\$221	\$236	\$175	\$183
Δ Other Assets	\$415	\$638	\$403	\$524	\$612	\$716	\$789	\$428	\$456	\$486	\$518	\$385	\$403
Asset Management CFO	\$469	\$762	\$432	\$581	\$679	\$795	\$876	\$471	\$502	\$535	\$571	\$420	\$439
Δ Investments	\$664	\$1,241	\$842	\$985	\$1,156	\$1,359	\$1,493	\$778	\$831	\$887	\$947	\$666	\$696
Asset Management CFI	(\$664)	(\$1,241)	(\$842)	(\$985)	(\$1,156)	(\$1,359)	(\$1,493)	(\$778)	(\$831)	(\$887)	(\$947)	(\$666)	(\$696)
Δ Debt	\$588	\$1,100	\$746	\$873	\$1,024	\$1,204	\$1,323	\$690	\$736	\$786	\$839	\$590	\$616
Asset Management CFF	\$588	\$1,100	\$746	\$873	\$1,024	\$1,204	\$1,323	\$690	\$736	\$786	\$839	\$590	\$616
Net Change in Cash Attributable	\$393	\$621	\$336	\$469	\$547	\$640	\$705	\$382	\$407	\$434	\$463	\$344	\$360
<i>Retirement Services</i>													
Δ Equity	\$1,646	\$2,308	\$2,887	\$1,334	\$1,428	\$1,528	\$1,634	\$1,249	\$1,312	\$1,377	\$1,446	\$911	\$938
Δ Restricted Cash & Cash Equiv	\$140	\$197	\$230	\$108	\$116	\$124	\$133	\$101	\$106	\$112	\$117	\$74	\$76
Δ Other Assets	\$0	\$0	\$3,777	\$1,323	\$1,415	\$1,514	\$1,620	\$1,239	\$1,300	\$1,365	\$1,434	\$903	\$930
Δ Other Liabilities	\$1,317	\$1,846	\$2,309	\$1,067	\$1,142	\$1,222	\$1,308	\$999	\$1,049	\$1,102	\$1,157	\$729	\$751
Retirement Services CFO	\$2,822	\$3,957	\$1,189	\$971	\$1,039	\$1,111	\$1,189	\$909	\$954	\$1,002	\$1,052	\$663	\$683
Δ Invested Asset (Net Purchasin	\$31,216	\$43,771	\$51,167	\$24,051	\$25,734	\$27,536	\$29,463	\$22,518	\$23,644	\$24,826	\$26,068	\$16,423	\$16,915
Δ Policyholder Liabilities (Net Inf	\$29,955	\$42,002	\$52,536	\$24,283	\$25,982	\$27,801	\$29,747	\$22,735	\$23,872	\$25,066	\$26,319	\$16,581	\$17,078
Retirement Services CFI	(\$1,261)	(\$1,769)	\$1,370	\$232	\$248	\$266	\$284	\$217	\$228	\$239	\$251	\$158	\$163
Net Change in Cash Attributable	\$1,561	\$2,189	\$2,558	\$1,203	\$1,287	\$1,377	\$1,473	\$1,126	\$1,182	\$1,241	\$1,303	\$821	\$846
Total CFO	\$3,291	\$4,719	\$1,621	\$1,552	\$1,717	\$1,906	\$2,065	\$1,380	\$1,456	\$1,537	\$1,623	\$1,083	\$1,122
Total CFI	(\$1,925)	(\$3,010)	\$527	(\$753)	(\$908)	(\$1,094)	(\$1,209)	(\$561)	(\$603)	(\$647)	(\$695)	(\$507)	(\$533)
Total CFF	\$588	\$1,100	\$746	\$873	\$1,024	\$1,204	\$1,323	\$690	\$736	\$786	\$839	\$590	\$616
Total Cashflow	\$1,954	\$2,809	\$2,894	\$1,671	\$1,834	\$2,017	\$2,179	\$1,508	\$1,590	\$1,676	\$1,766	\$1,165	\$1,206

Dollar Values In Millions

Fiscal Year Ending Dec. 31

Apollo Global Management
Relative Valuation Models

Ticker	Company	Price	EPS 2025E	EPS 2026E	P/E 25	P/E 26	Est. 5yr EPS gr.	PEG 25	PEG 26	BV Equity	Tangible BV Equity	P/B	Tangible P/B
BX	Blackstone Inc.	\$120.78	\$3.31	\$4.04	36.49	29.90	18.0	2.03	1.66	20.00	16.00	6.04	7.55
KKR	KKR & Co.	\$101.60	\$2.51	\$6.77	40.48	15.01	27.0	1.50	0.56	20.00	16.00	5.08	6.35
ARES	Ares Management	\$148.25	\$1.71	\$3.10	86.70	47.82	28.0	3.10	1.71	20.00	16.00	7.41	9.27
OWL	Blue Owl Capital	\$19.85	\$0.58	\$0.78	34.22	25.45	20.0	1.71	1.27	20.00	16.00	0.99	1.24
CG	Carlyle Group	\$37.40	\$2.65	\$3.70	14.11	10.11	15.0	0.94	0.67	20.00	16.00	1.87	2.34
	Average				42.40	25.66		1.85	1.17			4.28	5.35
 APOLLO GLOBAL	Apollo	\$120.81	\$8.12	\$10.40	14.9	11.6	12.0	1.2	1.0	39.32	29.35	3.07	4.12

Implied Relative Value:

P/E (EPS25)	\$ 344.29
P/E (EPS26)	\$ 266.94
PEG (EPS25)	\$ 180.75
PEG (EPS26)	\$ 146.60
P/B	\$ 168.24
P/Tangible BV	\$ 156.98

		Realized Performance Fee							
		\$179.79	0.125%	0.100%	0.075%	0.050%	0.025%	0.000%	-0.025%
Investment Discount	20.0%	179.79	178.27	176.75	175.24	173.72	172.19	170.68	
	25.0%	179.53	178.01	176.50	174.98	173.46	171.93	170.42	
	30.0%	179.27	177.75	176.24	174.72	173.20	171.67	170.16	
	35.0%	179.01	177.49	175.98	174.46	172.94	171.41	169.90	
	40.0%	178.75	177.23	175.72	174.20	172.68	171.15	169.65	
	45.0%	178.49	176.97	175.46	173.94	172.42	170.89	169.39	
	50.0%	178.23	176.72	175.20	173.68	172.16	170.63	169.13	

		FRE Terminal Growth							
		\$179.79	2.0%	2.5%	3.0%	3.5%	4.0%	4.5%	5.0%
ACS Origination Growth	1%	166.07	167.80	169.73	171.89	174.32	177.09	180.26	
	2%	166.63	168.38	170.32	172.50	174.96	177.75	180.96	
	3%	167.23	169.00	170.96	173.17	175.65	178.48	181.72	
	4%	167.88	169.67	171.66	173.89	176.41	179.27	182.55	
	5%	168.58	170.40	172.42	174.68	177.23	180.13	183.45	
	6%	169.35	171.19	173.24	175.53	178.12	181.06	184.43	
	7%	170.18	172.04	174.12	176.45	179.08	182.07	185.49	

		SRE Terminal Net Spread							
		\$179.79	1.075%	1.080%	1.085%	1.090%	1.095%	1.100%	1.105%
RS Asset Growth Phase 1	5.0%	165.68	167.25	168.98	170.89	173.01	175.38	178.05	
	6.0%	169.80	171.45	173.26	175.26	177.49	179.97	182.77	
	7.0%	174.06	175.79	177.69	179.79	182.12	184.73	187.66	
	8.0%	178.47	180.29	182.28	184.48	186.92	189.65	192.72	
	9.0%	183.04	184.94	187.02	189.33	191.88	194.74	197.96	
	10.0%	187.77	189.75	191.93	194.34	197.02	200.01	203.38	
	11.0%	192.65	194.73	197.01	199.53	202.34	205.47	208.99	

		FRE Phase 1 Growth (Base Case is 20%)							
		\$179.79	-10%	-7%	-4%	-1%	2%	5%	8%
ACS Growth	-5%	136.29	138.27	140.50	143.01	145.82	148.97	152.47	
	-4%	136.70	138.68	140.91	143.42	146.23	149.38	152.89	
	-3%	137.18	139.16	141.39	143.90	146.71	149.86	153.37	
	-2%	137.72	139.70	141.94	144.45	147.27	150.42	153.93	
	-1%	138.35	140.33	142.57	145.08	147.90	151.06	154.57	
	0	139.07	141.06	143.30	145.82	148.64	151.80	155.32	
	1%	139.90	141.90	144.14	146.67	149.50	152.66	156.19	

Global Wealth Terminal Growth

		Global Wealth Phase 1 Growth						
	\$179.79	10%	13%	16%	19%	22%	25%	28%
1.0%		176.47	176.72	176.99	177.28	177.60	177.93	178.30
1.5%		176.61	176.87	177.16	177.47	177.80	178.16	178.54
2.0%		176.74	177.02	177.32	177.65	178.00	178.37	178.78
2.5%		176.87	177.17	177.49	177.83	178.21	178.60	179.03
3.0%		177.01	177.33	177.66	178.02	178.41	178.83	179.28
3.5%		177.15	177.48	177.84	178.22	178.63	179.07	179.54
4.0%		177.30	177.64	178.01	178.41	178.84	179.30	179.80

Asset Management CoE

		Retirement Services CoE						
	\$179.79	9.85%	10.10%	10.35%	10.60%	10.85%	11.20%	11.45%
11.08%		198.39	195.34	192.48	189.77	187.21	183.85	181.59
11.33%		194.81	191.77	188.91	186.20	183.64	180.28	178.02
11.58%		191.50	188.46	185.59	182.88	180.32	176.96	174.71
11.83%		188.37	185.33	182.46	179.75	177.19	173.83	171.58
12.08%		185.52	182.48	179.61	176.90	174.34	170.98	168.73
12.33%		182.82	179.77	176.91	174.20	171.64	168.28	166.02
12.58%		180.28	177.24	174.37	171.67	169.11	165.74	163.49

Non-Compensation Rate

		Fee Related Comp Ratio						
	\$179.79	26.00%	26.50%	27.00%	27.50%	28.00%	28.50%	29.00%
17.00%		179.79	179.06	178.33	177.60	176.87	176.13	175.40
17.50%		179.06	178.33	177.60	176.87	176.13	175.40	174.67
18.00%		178.33	177.60	176.87	176.13	175.40	174.67	173.94
18.50%		177.60	176.87	176.13	175.40	174.67	173.94	173.21
19.00%		176.87	176.13	175.40	174.67	173.94	173.21	172.48
19.50%		176.13	175.40	174.67	173.94	173.21	172.48	171.75
20.00%		175.40	174.67	173.94	173.21	172.48	171.75	171.02